

Illinois Film Production Services Tax Credit Quarterly Report

FY2018 Q1 July 1, 2017 – September 30, 2017

When a production company is ready to claim a credit, it submits a report that includes exact numbers of people hired, money spent and vendors used. However, the Film Tax Credit allows companies up to two years to claim a tax credit, at which point, claimants report actual expenditures. Therefore, the figures reported may be for projects dating back to 2014.

Beginning in FY2015 Q1, the reporting methodology was changed from using spending estimates provided upon application to actual expenditures reported when the credit is claimed. However, we continue to report estimates for performance metrics. Estimates, while less precise, are timelier. Furthermore, projects awarded tax credits during this period may have been previously counted using the prior methodology.

Amount of film production spending brought to Illinois and number of job hires:

FY18 Q1 ACTUAL	Credits Issued	TOTAL Illinois Expenses*	IL Wages*	Production Office Hires**	Crew Hires**	Talent Hires***	Total Job Hires (EXCLUDES EXTRAS)
Commercial	41	7,947,831.37	4,081,552.71	209	967	151	1,327
TV	17	51,809,708.84	34,548,386.42	312	1,800	306	2,418
Film	3	4,492,390.46	2,722,713.28	19	464	28	511
TOTAL	61	\$ 64,249,930.67	\$ 41,352,652.41	540	3,231	485	4,256

*Actual expenditures reported are measured from the date of issuance of the tax credit. Costs may have been incurred/paid in prior periods.

** Job hires represent a count of Illinois residents hired on productions reported on this quarter and do not reflect unique individuals. These are typically short-term assignments, and some residents worked on more than one project.

*** There were 2,530 “Extras” reported on these projects; however they are not included in Talent Job Hires for the sake of conservatism.

Types of vendors hired, depending on production needs, include but are not limited to caterers, janitorial service companies, security companies, and equipment rental companies. Types of vendors for materials used in film productions and production services include lumber yards, hardware stores, fabric stores, clothing companies, grocery stores, gasoline stations, hotels, restaurants, parking garages, office rentals, stage rentals, computer rentals, insurance companies and legal services to name a few.

- We are not able to track vendor jobs. Any given project will use hundreds of vendors and we do not track how many employees of a particular vendor work on each project.
- In the 2017 Legislative Session, the General Assembly, in coordination with the Department, introduced House Amendment #1 to SB 1461 (Holmes/Kifowit/Turner), which sought to help the Department comply with the statutory mandate that requires the Department to report the number of minority-owned vendor firms contracting with Film Tax Credit recipients. Specifically, the legislation sets reasonable thresholds on what vendor reporting is required and resolves conflicts in statute between reporting provisions

that require the Department to disclose proprietary and confidential information regarding vendor costs utilized by productions and prohibition of such information from disclosure within the same Act. As amended by House Amendment #1, SB 1461 passed both Chambers, but failed to be concurred upon by the Senate in the 2017 Veto Session. The Department will continue to work with the General Assembly in the 2018 Legislative Session to pass identical or similar legislation to ensure the Department complies with the minority-vendor reporting requirement going forward.

Whether or not the human infrastructure reflects diversity of the state of Illinois:

- The film tax credit statute contains a diversity reporting requirement which means that no production will receive the tax credit without proof of a best faith effort to hire women and minorities as part of the technical crew and office staff.

FY18 Q1 Diversity Hiring Outcomes*		
Crew	#	%
White Males	1,106	47%
White Females	491	21%
African American	262	11%
Hispanic	264	11%
Asian	156	7%
Native American	32	1%
Other	31	1%
Total	2,345	100%
Non White	30%	
White Females	21%	
Protected Class	51%	

*Does not include police and fire personnel hires

- In order to promote racial diversity in the film industry in the state of Illinois, the Illinois Film Office continues to encourage educational opportunities for minorities to be trained for working in film and television. Since the inception of the program there have been four sponsored training programs. DCEO has provided funding in the form of grants to IATSE Studio Mechanics Union (Local 476.) specifically for this purpose. In addition, the FILM office has sponsored and participated in many outreach programs to enhance awareness amongst the film production community, including but not limited to trade unions, film studios, television networks, industry organizations, and companies across the film industry to educate and inform about ways to succeed with a diverse workforce. Overall crew and production office staff racial diversity was at 29% in CY2016 up from 14% when the program was established.